



PI PROPERTY
INCOME FUND

Annual Report 2023





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REPORT FROM CHAIRMAN

Welcome to the 2023 Property Income Fund (PI) annual report. This report covers the second full year of trading for Property Income Fund Limited (the 'Company' or the 'Group') being the financial year ending 31 March 2023.

The Company's portfolio has continued to provide resilient earnings over the period. The Company currently has no debt, meaning cash distributions have been unaffected by rising interest rates.

The cautious investment approach adopted by the Company to date means it has significant buying power available. With multiple investors out of the market, Property Income Fund is well positioned to buy attractive assets, or portfolios, as opportunities emerge.

Inflationary pressures and rapidly rising borrowing costs have been a headwind for valuations across the period, with recent transactional evidence signalling falling values across all sectors of the listed market. Despite valuation drops across each of New Zealand's listed property vehicles, we continue to see the market trade at a significant discount to net tangible asset value. This indicates that the market considers we are not yet at the bottom of the cycle, with further falls in asset values possible.

Market distress and uncertainty have reinforced Property Income Fund's strategy for a defensive portfolio of high-quality assets, leased to blue chip tenants.

Property Income Fund's industrial assets, leased to T&G Global and Fonterra, have seen 2.25% contracted rental uplifts during the year. Regular inspections have been completed by Management and we are pleased with the maintenance regimes in place for both properties.

During the year, the previously conditional contract to acquire a newly constructed building at 90 Devonport Road, for Tauranga City Council's future head office, went unconditional. Construction commenced in Q4 with regular calls made to progressively settle the asset. On completion, this asset will be at the forefront of sustainability as the largest mass timber office building in New Zealand. The 15-year net lease is subject to annual rental increases of CPI + 1.0%.

Financial result

The Group reported a pre-tax loss of \$10.167 million (2022: \$5.295 million profit) for the year. This included a fair value loss on completed investment properties of \$8.958 million (2022: \$2.266 million gain), as well as an impairment loss of \$4.693 million on the investment property under construction at 90 Devonport Road. This impairment loss is based on the as-if complete valuation compared to the anticipated net acquisition price.

In the absence of relevant transactional evidence, valuers have responded to the volatile macro-economic climate by softening capitalisation rates. As a result, the annual property valuation for Fraser Street, Timaru

has decreased 12.3% on the previous year. Similarly the annual property valuation for 484 Nayland Road, Nelson has decreased 8.9% on the previous year. JLL notes that the industrial property sector continues to outperform other asset classes with strong tenant demand and low levels of vacancy in both regions.

The operating expenses for the year totalled \$1.125 million (2022: \$622,000). Rental income for the year totalled \$4.603 million (2022: \$3,629 million). No rent relief was granted during the year, nor requested by tenants.

Calls and distributions

The Company made one call in the period totalling 6.0cps to fund the progressive settlement of 90 Devonport Road. This brought the total called capital to 40.2cps.

The Company pays out 100% of its Adjusted Funds From Operations (AFFO) quarterly. As such the following distributions were paid during the year:

- 29 April 2022: 0.35cps
- 29 July 2022: 0.38cps
- 28 October 2022: 0.38cps
- 27 January 2023: 0.39cps.

The total dividends paid in the year were 1.50cps. As the Company is a PIE, tax was deducted at source based on the individual investor PIRs advised to the share registrar.

Shareholder Representative Group (SRG)

The SRG met with the Manager three times during the year to review progress. In December, a sub-committee of the SRG approved a variation to the 90 Devonport Road Sale and Purchase Agreement, as



the vendor is a development entity managed by Willis Bond. As part of the variation, the Company secured an increase in the coupon received during the fund-through period.

Future plans

We have seen transactions stall over the past two years as borrowers grapple with rising interest rates and a mismatch between seller and buyer expectations.

The Company has been patient across this period and held off introducing debt to reinforce the resilience of cash flows. The Manager is confident that this cautious approach will be rewarded in the near term as market-driven opportunities arise.

Annual meeting

We would like to thank you for your support and invite you to join us at the shareholders' annual meeting which will be held at Willis Bond's Auckland offices at 11:30am on Monday 17 July with the option for shareholders to participate virtually. Please see page 33 for full details.

There is one resolution to vote on at the annual meeting, authorising the directors to fix the auditor's fees and expenses for the year ending 31 March 2024.



Mark McGuinness
Chairman



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DIRECTORS' REPORT

The Board of Directors is pleased to present the Directors' Report for Property Income Fund Limited, incorporating the Financial Statements and Auditor's Report for the year ended 31 March 2023.

Principal activity of the Company

The Company was incorporated on 30 September 2020 under the Companies Act 1993 and invests in long-term investment opportunities in the New Zealand real estate market.

Board of Directors

The persons holding office as directors of the Company as at 31 March 2023 were:

- Mark McGuinness
- Wayne Silver
- David McGuinness

No directors ceased to hold office during the year ended 31 March 2023.

Subsidiary Company directors

As at 31 March 2023 the Company had four subsidiaries as shown in Table 1.

Entries recorded in the interests register

The following interests register entries were recorded for the Company during the year ended 31 March 2023.

Directors' interests in the Company's shares

Table 2 shows the directors' interests in shares in the Company as at 31 March 2023.

Share dealings

There were no share dealings by directors during the year that ended 31 March 2023.

Interests in transactions

During the year ended 31 March 2023, the directors made general disclosures of interests in the interests register of the Company in accordance with section 140(2) of the Companies Act 1993. These are set out overleaf in Table 3. Each such director is regarded as interested in all transactions between the Company and the disclosed entity.

Table 1 – Subsidiary Company directors

Subsidiary entity	Directors of subsidiary as at 31 March 2023
Property Income Investments Limited	Mark McGuinness Wayne Silver David McGuinness
Property Income Fund No.1 Limited	Mark McGuinness Wayne Silver David McGuinness
Property Income Fund No.2 Limited	Mark McGuinness Wayne Silver David McGuinness
Property Income Fund No.99 Limited	Mark McGuinness Wayne Silver David McGuinness

Artist's impression - detail of 90 Devonport Road, Tauranga



Table 2 – Directors’ interests in the Company’s shares

Director	Consideration per share	Number of shares as at 31 March 2023	Relevant interest
Mark McGuinness	\$1.00 partly paid	4,900,000	Held by associated trust
Wayne Silver	\$1.00 partly paid	600,000	Held by associated person
David McGuinness	\$1.00 partly paid	500,000	Held by associated trust

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DIRECTORS' REPORT (continued)

Table 3 – Directors' interests in transactions

Mark McGuinness	
Director 30 Madden GP Limited	Director Site 9 Redevelopment GP Limited
Director 490 Nayland Road GP Limited	Director Takapuna Central Development GP Limited
Director 90 Devonport Road (GP) Limited	Trustee Jasmine Investment Trust No.2 (including subsidiaries)
Director Blue Mountains Development GP Limited	Director Victoria Dixon Holdings GP Limited
Director Catalina Bay (GP) Limited	Director WB Horowhenua Limited
Director Catalina Bay Investments Limited	Director Willis Bond and Company (Tauranga) Limited
Director Catalina Bay No1 (GP) Limited	Director Willis Bond and Company Investments Limited
Director Compassion Horowhenua GP Limited	Director Willis Bond and Company Limited
Director Cuba Holdings (GP) Limited	Director Willis Bond and Company Management No2 Limited
Director Donaghys Limited	Director Willis Bond and Company Management No3 Limited
Director Mackford Holdings Limited	Director Willis Bond and Company Management No4 Limited
Director Mackford Holdings No 1 Limited	Director Willis Bond Capital Partners No2 Investments Limited
Director Mackford Holdings No 2 Limited	Director Willis Bond Capital Partners No2 Limited
Director MCG Business Trustee Limited	Director Willis Bond Capital Partners No3 Limited
Director MCG Investment Trustee Limited	Director Willis Bond Capital Partners No4 Limited
Director McGuinness & Associates Limited	Director Willis Bond CB Management Limited
Director McGuinness PA Limited	Director Willis Bond CI Limited
Director MFC Development (GP) Limited	Director Willis Bond Holdings Limited
Director One Tasman (GP) Limited	Director Willis Bond Property Management Limited
Director Property Income Fund Management Limited	Director Wynyard Central GP Limited
Director Rakiura Equities Limited (appointed 13.12.22)	

Indicative view of 90 Devonport Road, Tauranga





David McGuinness

Director 30 Madden GP Limited	Director Site 9 Redevelopment GP Limited
Director 490 Nayland Road GP Limited	Director Takapuna Central Development GP Limited
Director 90 Devonport Road (GP) Limited	Director Victoria Dixon Holdings GP Limited
Director Blue Mountains Development GP Limited	Director WB Horowhenua Limited
Director Catalina Bay (GP) Limited	Director Willis Bond And Company (Tauranga) Limited
Director Catalina Bay Investments Limited	Director Willis Bond And Company Management No2 Limited
Director Catalina Bay No1 (GP) Limited	Director Willis Bond And Company Management No3 Limited
Director Compassion Horowhenua GP Limited	Director Willis Bond And Company Management No4 Limited
Director Cuba Holdings (GP) Limited	Director Willis Bond Capital Partners No2 Investments Limited
Shareholder Ke Kelit (NZ) Limited (via shareholding in KKNZ Holding Limited, a 50% shareholder in Ke Kelit (NZ) Limited)	Director Willis Bond Capital Partners No2 Limited
Trustee McGuinness Jameson Family Trust	Director Willis Bond Capital Partners No3 Limited
Trustee McGuinness Jameson Investment Trust	Director Willis Bond Capital Partners No4 Limited
Director MFC Development (GP) Limited	Director Willis Bond CB Management Limited
Director One Tasman (GP) Limited	Alternate Director Willis Bond CI Limited
Director Property Income Fund Management Limited	Director Willis Bond Property Management Limited
Director Rakiura Equities Limited (appointed 13.12.22)	Director Wynyard Central GP Limited

Wayne Silver

Director 30 Madden GP Limited	Director Victoria Dixon Holdings GP Limited
Director 490 Nayland Road GP Limited	Director WB Horowhenua Limited
Director 90 Devonport Road (GP) Limited	Director Willis Bond and Company (Tauranga) Limited
Director Blue Mountains Development GP Limited	Director Willis Bond and Company Investments Limited
Director Catalina Bay (GP) Limited	Alternate Director Willis Bond and Company Limited
Director Catalina Bay Investments Limited	Director Willis Bond and Company Management No2 Limited
Director Catalina Bay No1 (GP) Limited	Director Willis Bond and Company Management No3 Limited
Alternate Director Compassion Horowhenua GP Limited	Director Willis Bond and Company Management No4 Limited
Director Cuba Holdings (GP) Limited	Director Willis Bond Capital Partners No2 Investments Limited
Director MFC Development (GP) Limited	Director Willis Bond Capital Partners No2 Limited
Director One Tasman (GP) Limited	Director Willis Bond Capital Partners No3 Limited
Director Property Income Fund Management Limited	Director Willis Bond Capital Partners No4 Limited
Director Rakiura Equities Limited (appointed 13.12.22)	Director Willis Bond CB Management Limited
Director Silver Capital Management Limited	Director Willis Bond CI Limited
Trustee Silver Family Trust No1	Director Willis Bond Holdings Limited
Director Site 9 Redevelopment GP Limited	Director Wynyard Central GP Limited
Director Takapuna Central Development GP Limited	

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DIRECTORS' REPORT (continued)

Use of Company information

No director issued a notice requesting to use information received in their capacity as a director of the Company that would not otherwise have been available to the director.

Directors' indemnity and insurance

In accordance with section 162 of the Companies Act 1993 and the constitution of the Company, the Company has entered into deeds of indemnity with the directors of the Company to indemnify them, to the maximum extent permitted by law, against all liabilities which they may incur in the performance of their duties as directors of the Company or any subsidiary. Cover extends to costs of successfully defending legal proceedings, but excludes actions for criminal liability or breach of the duty in section 131 of the Act. The Company has paid premiums and taken out insurance cover, including insurance policies that indemnify directors against potential legal liabilities, including fines and legal defence costs. Specifically excluded are fines and penalties which may be imposed for breaches of law and criminal actions. The Board authorised such insurance cover and certified that the cover is fair to the Company.

Directors' fees

Details of the total remuneration and the value of other benefits received by each director of the Company during the year ended 31 March 2023 are shown in Table 4.

Employees

No employees or former employees of the Company received remuneration and benefits in their capacity as employees of the Company, the value of which was or exceeded \$100,000 per annum.

Auditor

Ernst and Young has continued to act as auditor of the Company and has undertaken the audit of the financial statements for the year ended 31 March 2023. The amount payable by the Company to Ernst and Young for audit fees in respect of the year ended 31 March 2023 was \$33,890 (excluding GST). The Company did not engage Ernst and Young for any other services during the year.

Donations

No donations were made by the Company during the year ended 31 March 2023.

Directors' responsibility statement

The directors are responsible for ensuring that the financial statements give a true and fair view of the financial position of the Company as at 31 March 2023 and its financial performance for the year ended on that date. The directors consider that the financial statements of the Company have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Company and facilitate compliance of the financial statements with the Financial Reporting Act 2013. The directors consider they have taken adequate steps to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.





Table 4 – Directors’ fees

Director	Value of remuneration and other benefits received 31 March 2023
Mark McGuinness	Nil
Wayne Silver	Nil
David McGuinness	Nil

The financial statements presented on pages 14 - 31 were adopted by the Board and authorised for issue on 15 June 2023.

This annual report is dated 15 June 2023 and is signed for and on behalf of the Board by:

Mark McGuinness
Chairman

Wayne Silver
Director

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Property Income Fund Limited.



Opinion

We have audited the financial statements of Property Income Fund Limited ("the Company") and its subsidiaries (together "the Group"), which comprise the consolidated statement of financial position of the Group as at 31 March 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period then ended of the Group, and the notes to the consolidated financial statements including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2023 and its consolidated financial performance and cash flows for the period then ended in accordance with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime.

This report is made solely to the Company's shareholders, as a body. Our audit has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's

report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interest in, the Group. Partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group.

Information other than the financial statements and auditor's report

The Directors of the Company are responsible for the Annual Report, which includes information other than the consolidated financial statements and auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.



If, based upon the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the financial statements

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the consolidated financial statements in accordance with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing on behalf of the entity the Group's ability to continue as a going concern, disclosing, as applicable, matters

related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (New Zealand) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the External Reporting Board website:

<https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-7/>. This description forms part of our auditor's report.

The Ernst & Young logo is written in a black, cursive script font.

Chartered Accountants
Auckland

15 June 2023

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FINANCIAL STATEMENTS

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2023

	Note	2023 Group \$000	2022 Group \$000
Rental income	4	4,603	3,629
Operating expenses	5	(1,125)	(622)
Operating profit		3,478	3,007
Finance income	6	107	22
Finance expense	6	(101)	-
Net finance income		6	22
Change in fair value of investment property	11	(8,958)	2,266
Impairment loss on investment property under construction	12	(4,693)	-
Net profit/(loss) before income tax expense		(10,167)	5,295
Income tax expense	35	-	-
Net profit/(loss) for the year		(10,167)	5,295
Other comprehensive income		-	-
Total comprehensive profit/(loss) for the year		(10,167)	5,295

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2023

2022	Note	Share capital \$000	Retained profit/(loss) \$000	Total \$000
Opening balance		55,423	516	55,939
Share capital called	15	30,000	-	30,000
Dividends		-	(2,312)	(2,312)
Net profit for the year		-	5,295	5,295
Balance at 31 March 2022		85,423	3,499	88,922

2023	Note	Share capital \$000	Retained profit/(loss) \$000	Total \$000
Opening balance		85,423	3,499	88,922
Share capital called	15	15,000	-	15,000
Dividends	7	-	(3,745)	(3,745)
Net profit/(loss) for the year		-	(10,167)	(10,167)
Balance at 31 March 2023		100,423	(10,413)	90,010

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2023

	Note	2023 Group \$'000	2022 Group \$'000
Current assets			
Cash and cash equivalents	8	4,901	2,459
Trade and other receivables		90	-
Other receivables	9	24	395
Total current assets		5,015	2,854
Current liabilities			
Trade and other payables	14	2,931	332
Total current liabilities		2,931	332
Net current assets		2,084	2,522
Non-current assets			
Investment property	11	77,600	86,400
Investment property under construction	12	17,673	-
Total non-current assets		95,273	86,400
Non-current liabilities			
Other non-current payables	19	7,347	-
Total non-current liabilities		7,347	-
Net assets		90,010	88,922
Equity			
Share capital	15	100,423	85,423
Retained profit/(loss)		(10,413)	3,499
Equity attributable to shareholders of the parent		90,010	88,922

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2023

	Note	2023 Group \$000	2022 Group \$000
Cash flows from operating activities			
Interest received		91	21
Cash payments for operating expenditure		(924)	(915)
Rental income received		4,445	3,328
Net GST inflow/(outflow)		3	53
Net cash inflow from operating activities		3,615	2,487
Cash flows from investing activities			
Purchase of investment property		-	(33,233)
Purchase of investment property under construction		(12,428)	-
Net cash outflow from investing activities		(12,428)	(33,233)
Cash flows from financing activities			
Proceeds from share calls	15	15,000	30,000
Dividends	7	(3,745)	(2,312)
Net cash inflow from financing activities		11,255	27,688
Net increase/(decrease) in cash and cash equivalents		2,442	(3,058)
Cash and cash equivalents at beginning of year		2,459	5,517
Cash and cash equivalents at end of year	8	4,901	2,459

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

1 - General information

The financial statements presented are those of Property Income Fund Limited (the 'Company') and its subsidiaries (the 'Group') as detailed in note 10 as at and for the year ended 31 March 2023. The reporting entity is Property Income Fund Limited. The Company was incorporated under the Companies Act 1993 on 30 September 2020 and has its registered office at Level 4, 12 Viaduct Harbour Avenue, Auckland. The Group is a reporting entity for the purposes of the Financial Reporting Act 2013.

The Group is primarily involved in long-term investment opportunities in the New Zealand real estate market.

These financial statements have been approved for issue by the Board of Directors on 15 June 2023.

2 - Statement of compliance

The financial statements of Property Income Fund Limited have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP") and the requirements of the Financial Reporting Act 2013. They comply with the New Zealand equivalents to International Financial Reporting Standards - Reduced Disclosure Regime ("NZ IFRS (RDR)") and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities.

The Group is a Tier 2 For-profit entity and has elected to report in accordance with Tier 2 For-profit Accounting Standards as issued by the New Zealand External Reporting Board (XRB) and has applied disclosure concessions. The Group has elected to report in accordance with Tier 2 For-profit Accounting Standards on the basis that it does not have public accountability and is not a large for-profit public sector entity.

3 - Summary of accounting policies

The significant accounting policies that have been used in the preparation of these financial statements, are summarised here.

3.1 - Overall consideration

The financial statements have been prepared using the measurement bases specified by NZ IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

3.2 - Basis of preparation

The financial statements have been prepared on the basis of historical cost, as modified by the fair value measurement of investment property. Cost is based on the fair values of the consideration given in exchange for assets.

The financial statements have been prepared under the assumption that the Group operates on a going concern basis.

3.3 - Basis of consolidation

The consolidated financial statements comprise Property Income Fund Limited and its subsidiary companies.

In preparing the consolidated financial statements, all inter-company balances and transactions have been eliminated in full.

3.4 - Presentation of financial statements

The financial statements are presented in New Zealand dollars (\$), which is the Company's functional currency, rounded to the nearest thousand.

3.5 - Income tax expense

For tax purposes, the Company elected to be a Portfolio Investment Entity (PIE). Under the PIE tax rules, the Company pays tax on behalf of its members. As such, from the date at which the Company became a PIE, no tax expense or deferred tax balances are recognised in the financial statements.

The current income tax asset or liability recognised in the statement of financial position represents the current income tax balance due from or to the Inland Revenue at balance date.

5.0 NOTES TO THE FINANCIAL STATEMENTS

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

3.6 - Fair value measurement

The Group classifies its fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy is as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input significant to the fair value measurement is directly or indirectly unobservable.
- Level 3 - Valuation techniques for which the lowest level input significant to the fair value measurement is unobservable.

3.7 - Significant management judgements and estimation uncertainties

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience, the current global market and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are

recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the Group's accounting policies, management has made the following judgements, estimates and assumptions that have had the most significant impact on the amounts recognised in these financial statements:

- Reviewing and adopting the valuation of investment property in note 11.
- Consideration of impairment of investment property under development in note 12.

4 - Rental income

Rental income comprises of the following, disaggregated by major product line:

	Note	2023 Group \$000	2022 Group \$000
Rental income - industrial		4,445	3,328
Straight-lining of fixed rental increases	11	158	301
Total rental income		4,603	3,629

Accounting policy

Revenue is recognised to the extent that control is transferred for an amount that reflects the consideration to which the Group expects to be entitled in exchange for these services. To determine whether to recognise revenue, the Group follows a 5 step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when / as performance obligations are satisfied

Recognition of revenue from investment property

Rental revenue from investment property is recognised on a straight-line basis over the period of the lease.

Where an incentive (such as a rent free period) is given to a tenant, this is also recognised on a straight-line basis over the period of the lease.

5 - Operating expenses

Net profit before income tax expense includes the following expenses:

	Note	2023 Group \$000	2022 Group \$000
Accounting and tax advice		(32)	(70)
Audit fees		(34)	(23)
Consultant fees		(36)	(39)
Insurance		(41)	(31)
Investigation costs		(436)	(44)
Legal fees		(21)	(34)
Management fees	19	(450)	(324)
Other		(39)	(37)
Valuation fees		(36)	(20)
Total operating expenses		(1,125)	(622)

Accounting policy

Operating expenses are recognised in profit and loss upon utilisation of the service.

The auditor of the Company is Ernst and Young. No other services were provided by Ernst and Young.

5.0 NOTES TO THE FINANCIAL STATEMENTS

6 - Finance income and expenditure

Finance income and expenditure comprise the following:

	2023 Group \$000	2022 Group \$000
Interest income	107	22
Total finance income	107	22
Interest on deferred settlement	(101)	-
Total finance expense	(101)	-

Accounting policy

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

7 - Dividends declared and paid

The following dividends were declared and paid by the Group for the year ended 31 March 2023:

- 29 April 2022 - 0.35cps, \$885,000
- 29 July 2022 - 0.38cps, \$950,000
- 28 October 2022 - 0.38cps, \$945,000
- 27 January 2023 - 0.39cps, \$965,000

8 - Cash and cash equivalents

Cash and cash equivalents include the following components:

	2023 Group \$000	2022 Group \$000
Cash at bank and on call deposits	4,901	2,459
Total cash and cash equivalents	4,901	2,459

Accounting policy

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

9 - Other receivables

Other receivables consist of the following:

	2023 Group \$000	2022 Group \$000
Recoverable expenses	7	394
Interest accrual	17	1
Total other receivables	24	395

No impairment provision was allowed for as at 31 March 2023, (2022: nil).

Accounting policy

Preliminary project costs are capitalised when it is likely that future economic benefits associated with the costs will flow to the entity. Such costs are presented as recoverable expenses and included in other receivables. If it becomes apparent these future economic benefits are unlikely to flow, the costs are expensed through the profit and loss.

10 - Subsidiaries

The Group comprises the following subsidiaries which represent investments of the Parent or its subsidiaries:

	2023 Holding %	2022 Holding %
Property Income Fund No.1 Limited	100.0	100.0
Property Income Fund No.2 Limited	100.0	100.0
Property Income Fund No. 99 Limited	100.0	100.0
Property Income Investments Limited	100.0	100.0

The principal activity of the subsidiaries is investment in long-term commercial property, or the acquisition of funding to assist the Group's investment in long-term commercial property. The subsidiaries are New Zealand based, have a balance date of 31 March, and have been included in these consolidated financial statements.

5.0 NOTES TO THE FINANCIAL STATEMENTS

11 - Investment property

Investment properties held by the Group are as follows:

2023	Valuer	Net lettable area (sqm)	Discount rate	Capitalisation rate
484 Nayland Road, Nelson	JLL	39,673	7.750%	6.125%
1 Fraser Street, Timaru	JLL	21,876	7.750%	6.500%

	Opening carrying value \$000	Additions/ (disposals) \$000	Straight-line adjustment \$000	Change in fair value \$000	Closing carrying value \$000
484 Nayland Road, Nelson	53,100	-	144	(4,844)	48,400
1 Fraser Street, Timaru	33,300	-	14	(4,114)	29,200
Total investment property	86,400	-	158	(8,958)	77,600

2022	Valuer	Net lettable area (sqm)	Discount rate	Capitalisation rate
484 Nayland Road, Nelson	JLL	39,673	6.750%	5.125%
1 Fraser Street, Timaru	JLL	21,876	6.125%	5.125%

	Opening carrying value \$000	Additions/ (disposals) \$000	Straight-line adjustment \$000	Change in fair value \$000	Closing carrying value \$000
484 Nayland Road, Nelson	50,600	-	264	2,236	53,100
1 Fraser Street, Timaru	-	33,233	37	30	33,300
Total investment property	50,600	33,233	301	2,266	86,400

In arriving at the independent valuer's assessment of fair value they have considered both the capitalisation and discounted cashflow approaches to the valuation. The sales comparison approach informed the basis of the appropriate capitalisation and discount rates to be used.

The two approaches used resulted in a valuation range on investment properties of \$76.9m - \$78.3m with a value of \$77.6m being adopted.

Capitalisation rate sensitivity analysis:

	-0.25% bp \$000	Actual \$000	+0.25% bp \$000
484 Nayland Road, Nelson	49,700	47,600	45,700
1 Fraser Street, Timaru	30,500	29,300	28,200
	80,200	76,900	73,900

Discount rate sensitivity analysis:

	-0.25% bp \$000	Actual \$000	+0.25% bp \$000
484 Nayland Road, Nelson	50,100	49,200	48,400
1 Fraser Street, Timaru	29,600	29,100	28,600
	79,700	78,300	77,000

Accounting policy

Investment property is property (land or buildings) held to earn rental or for capital appreciation, rather than for use by the Company in the ordinary course of business or held for sale.

Investment properties are initially measured at cost, including transaction costs. Subsequent annual measurement is based on the fair value model. Fair value is based on active market prices, adjusted if necessary, for any difference in the nature, location or condition of the specific asset at the reporting date. Gains or losses arising from changes in the fair values of investment properties are recognised in profit and loss in the year in which they arise. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

Fair value measurement, valuation techniques and inputs

The Group's investment properties were revalued as at 31 March 2023 by an independent valuer who is a member of the New Zealand Institute of Valuers.

The investment properties have been determined to be Level 3 in the fair value hierarchy because all significant inputs that determine fair value are not based on observable market data (See note 3.6 for further information).

Key unobservable inputs relating to the valuation of the Group's investment property are as follows:

• Rental (per sqm)	\$3 - \$136
• Capitalisation rate	6.125% - 6.50%
• Discount rate	7.75%
• Terminal yield	6.375% - 6.75%
• Average rental growth rate (per annum)	2.0% - 2.20%

Income capitalisation approach

Determines fair value by capitalising the net income at a capitalisation rate reflecting the nature, location and tenancy profile of the asset. Subsequent capital adjustments are then made which typically include letting-up allowances for vacancy and pending expiries, capital expenditure allowances and under/over renting reversions.

Discounted cash flow approach

A financial modelling methodology assessing the long-term return that is likely to be derived from an asset. Explicit assumptions are required for rental income growth, leasing up metrics on expiries along with terminal value at the end of the cash flow period, typically a 10 year horizon. A market-derived discount rate is then applied to the assessed cash flows and discounted to a present value to determine fair value.

Sales comparison approach

Fair value is determined by applying positive and negative adjustments to recently transacted assets of a similar nature.

5.0 NOTES TO THE FINANCIAL STATEMENTS

12 - Investment property under construction

Investment properties under construction are as follows:

2023	Valuer	Net lettable area (sqm)	Discount rate	Capitalisation rate
90 Devonport Road, Tauranga	JLL	10,452	7.250%	5.625%

	Opening carrying value \$'000	Additions/ (disposals) \$'000	Impairment loss \$'000	Closing carrying value \$'000
90 Devonport Road, Tauranga	-	22,366	(4,693)	17,673
Total investment property under construction	-	22,366	(4,693)	17,673

The agreement to acquire 90 Devonport Road, Tauranga went unconditional in January 2023. As at 31 March 2023 the net amount recognised as investment property was \$22.3m. The Group has a remaining net capital commitment not yet brought onto the balance sheet of \$84.8m. Per the valuation the as if complete value of \$102.5m is lower than the net purchase price of \$107.2m. As such an impairment loss of \$4.7m has been recognised in the current year. This property is currently under construction and is expected to be completed in February 2025.

Accounting policy

Under IAS 40.53 the Group has determined that since they have only recently acquired the investment property and the property has only recently commenced construction, the fair value of the property is not reliably measurable on a continuing basis due to the market for comparable property being inactive and alternative reliable measurements of fair value (such as discounted cash flow projections) not being available. For this reason, the property has been measured using the cost model under IAS 16 and will continue to be measured in this manner until either its fair value becomes reliably measurable, or the development is completed (whichever is earlier). Whilst the cost model basis is applied the Group will continue to assess the as if complete value against the net purchase price for impairment loss annually.

13 - Lessor revenue

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2023 Group \$'000	2022 Group \$'000
Within 1 year	4,545	4,450
1 to 5 years	18,163	18,307
After 5 years	26,234	30,663
Total lease payments due	48,942	53,420

14 - Trade and other payables

Trade and other payables consist of the following:

	Note	2023 Group \$000	2022 Group \$000
GST payable		110	107
Trade payables		18	15
Related party payables & accruals	19	2,653	1
Sundry accruals		150	209
Total trade and other payables		2,931	332

Accounting policy

Trade and other payables are carried at amortised cost and are not discounted due to their short-term nature. They represent liabilities for goods and services provided to the Group prior to the end of the financial period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

15 - Share capital

The authorised share capital of the Company consists of 250,000,000 ordinary shares.

All ordinary shares have an equal right to vote, to dividends and to any surplus on winding up.

	2023 Group Units 000	2022 Group Units 000
Shares issued	250,000	250,000
	\$000	\$000
Paid share capital	100,500	85,500
Unpaid share capital	149,500	164,500
	\$000	\$000
Opening balance	85,423	55,423
Share capital contributed during the period	15,000	30,000
Total share capital	100,423	85,423

5.0 NOTES TO THE FINANCIAL STATEMENTS

The Company has 250,000,000 partly paid \$1.00 shares on issue.

The following call was made during the year:

- January 2023, a call of 6.0 cents per share

The call made during the year was paid in full. As at 31 March 2023 40.2 cents per share has been called.

Accounting policy

Share capital represents the ordinary shares that have been issued.

Incremental costs directly attributable to the issue of ordinary shares have been recognised as a deduction from equity.

Capital management

Capital includes share capital, retained earnings and other equity reserves. The primary objectives of the Group's capital management policy is to ensure healthy capital ratios are maintained in order to support business operations and to maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in the economic and trading conditions within its markets. To maintain or adjust the capital structure, the Company may adjust the dividends paid to shareholders, or call capital from/return capital to shareholders.

16 - Financial instruments

The table below sets out the Company's classification of each class of financial assets and liabilities and their fair values.

Trade and other payables excludes non-financial liabilities such as GST payable.

2023	Amortised cost \$000	FVTPL \$000	Total \$000
Financial assets			
Cash and cash equivalents	4,901	-	4,901
Trade and other receivables	114	-	114
	5,015	-	5,015
Financial liabilities			
Trade and other payables	2,822	-	2,822
Deferred settlement	7,347	-	7,347
	10,169	-	10,169

2022	Amortised cost \$000	FVTPL \$000	Total \$000
Financial assets			
Cash and cash equivalents	2,459	-	2,459
Trade and other receivables	395	-	395
	2,854	-	2,854
Financial liabilities			
Trade and other payables	225	-	225
	225	-	225

Accounting policy

Financial assets and liabilities are recognised when the Company becomes a party to the contractual right or obligation of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with NZ IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Subsequent measurement of financial assets

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

Trade and other receivables and contract assets

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Group assesses impairment of trade receivables on a collective basis. As they possess shared credit risk characteristics they have been grouped based on the days past due.

5.0 NOTES TO THE FINANCIAL STATEMENTS

Accounting policy (continued)

Classification and measurement of financial liabilities

The Group's financial liabilities include any borrowings and trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs. Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

17 - Capital commitments

Other than the \$84.8 million noted in note 12, there were no other capital commitments at 31 March 2023, (2022: nil).

18 - Contingent assets and liabilities

There are no contingent assets or liabilities at 31 March 2023, (2022: nil).

19 - Related parties

The Company's related parties include entities with common directors.

The Company recorded the following transactions with related parties:

	2023 Group \$000	2022 Group \$000
Property Income Fund Management Limited		
Management fees	450	324
Willis Bond and Company Limited		
Payables at 31 March	-	1
90 Devonport Road Limited Partnership		
Receivables at 31 March	79	-
Accrued investment acquisition costs for work completed as at 31 March	2,653	-
Accrued deferred land settlement	7,347	-

The Company is related to Property Income Fund Management Limited (the "Manager"), Willis Bond and Company Limited and 90 Devonport Road Limited Partnership through Property Income Fund Limited directors.

M McGuinness is a director of, and W Silver an alternate director of Willis Bond and Company Limited.

M McGuinness, D McGuinness and W Silver are directors of Property Income Fund Management Limited.

M McGuinness, D McGuinness and W Silver are directors of 90 Devonport Road (GP) Limited.

The Company's directors and associated persons to the directors collectively have invested \$2,412,000 (2022: \$2,052,000) as at 31 March 2023 representing calls made to date on 6,000,000 (2022: 6,000,000) shares in the Company. No preferential treatment has been received.

No amounts owed by related parties have been written off or forgiven during the period.

20 - Subsequent events

Subsequent to 31 March 2023 a dividend of 0.444cps, equating to \$1,110,000 was declared on 20 April 2023 and paid on 28 April 2023.

On 17 April 2023 a call of 2.6cps, equating to \$6,500,000 was made on investors, payable 9 May 2023.



6.0

NOTICE OF ANNUAL MEETING

Notice is given that the annual meeting of the shareholders of Property Income Fund Limited (the 'Company') will be held on Monday 17 July 2023 at 11:30am at the offices of Willis Bond, Level 4, 12 Viaduct Harbour Avenue, Auckland (and as a virtual meeting) to consider and if thought fit, to pass the following resolution:

Resolution 1:

To reappoint Ernst and Young as auditor of the Company, and to authorise the directors to fix the auditor's fees and expenses for the year ending 31 March 2024.

Further information relating to this resolution is set out in the explanatory notes on the next page.

The Board recommends that you vote in favour of the above resolution.

Other business:

To receive the Directors' Report, Financial Statements, and Auditor's Report for the Company for the year ended 31 March 2023.

To consider any other matter that may properly be brought before the meeting.

By order of the Board of Directors.



Wayne Silver
Director
15 June 2023

EXPLANATORY NOTES

Explanatory Note 1:

Auditor's fees and expenses (Resolution 1)

Ernst and Young is the auditor of the Company and has indicated its willingness to continue in office. The Companies Act 1993 provides that a company's auditor is automatically reappointed at an annual meeting as auditor of the company, unless the shareholders resolve to appoint a replacement auditor or there is some other reason for the auditor not to be reappointed. The Companies Act 1993 further provides that the fees and expenses of the auditor are to be fixed in such manner as the company determines at the annual meeting.

The Board recommends that, consistent with commercial practice, the auditor's fees and expenses be fixed by the directors.

Explanatory Note 2:

Voting

Voting at the annual meeting shall be decided by a show of hands of the Company's shareholders entitled to vote and voting.

You may exercise your right to vote at the meeting:

- in person; or
- by appointing a proxy to attend and vote on your behalf; or
- by representative (if the shareholder is a body corporate); or
- by casting a postal vote.

Required votes

In order for Resolution 1 to be passed, it must be approved by a majority of the votes of shareholders who are entitled to vote and vote on the resolution in person or by proxy/representative or by casting a postal vote.

Quorum

The quorum for the meeting is present if five or more shareholders are present in person or by proxy.

Voting by proxy/representative

A Proxy Form can be found on page 35 of this annual report. If you propose not to attend the meeting but wish to be represented by proxy, or if you propose to attend as a representative on behalf of a company or other body corporate, please complete the Proxy Form and return it to the Company.

The Proxy Form must be received by the Company no later than 11:30am on Saturday, 15 July 2023.

Postal voting

Shareholders entitled to attend and vote at the annual meeting may cast a postal vote instead of attending in person or appointing a proxy/representative to attend. The Company Secretary has been authorised by the Board to receive and count postal votes at the annual meeting. A Postal Voting Form can be found on page 35 of this annual report.

You may cast a postal vote on all or any of the matters to be voted on at the meeting by completing the Postal Voting Form in the manner in which your shares are to be voted and returning it to the Company Secretary.

The Postal Voting Form must be received by the Company Secretary no later than 11:30pm on Saturday, 15 July 2023.

How to return the Proxy and Postal Voting Form

The Proxy or Postal Voting Form may be completed and returned to the Company in one of the following ways:

- by delivering it to Level 4, 12 Viaduct Harbour Avenue, Auckland; or
- by sending it to PO Box 2007, Auckland 1140; or
- by scanning and emailing it to: reception@willisbond.co.nz

Explanatory Note 3:

Virtual attendance by electronic communication

The Board has agreed that shareholders may attend and participate in the annual meeting virtually by electronic communication. Details on how to access and participate in the meeting virtually by electronic communication will be provided to shareholders nearer the time of the meeting.

Shareholders may attend the meeting virtually by electronic communication even if they have appointed a proxy (although they will not be able to vote if a proxy has been appointed).

Shareholder questions and answers

Shareholders present at the meeting will have the opportunity to ask questions at the end of the meeting.

7.0

PROXY OR POSTAL VOTING FORM

The 2023 annual meeting of shareholders of Property Income Fund Limited will be held on Monday 17 July 2023 at 11:30am at the offices of Willis Bond, Level 4, 12 Viaduct Harbour Avenue, Auckland (and as a virtual meeting).

Section 1: Shareholder details (please print clearly)

Full name:

Full address:

If shares are held jointly, please enter details of ALL other joint holders:

Full name:

Full address:

Section 2: Postal Voting Form

(Please use if you will NOT be attending the annual meeting in person and do not wish to appoint a proxy or representative to attend on your behalf.)

I wish to vote by postal vote. (Please tick the box and complete section 4 (Resolutions) and section 5 (Signatures) overleaf.) My voting intentions are indicated in section 4 (Resolutions) overleaf.

Section 3: Appointment of proxy/corporate representative

(Please use if you will NOT be attending the annual meeting but wish to appoint a proxy to attend and vote on your behalf at the meeting, or if you are attending as a representative on behalf of a company or other body corporate.)

I/We, the above-named shareholder/shareholders of Property Income Fund Limited, hereby appoint:*

Full name of proxy/representative:

of (full address of proxy/representative):

or failing that person:

Full name of proxy/representative:

of (full address of proxy/representative):

as my/our proxy/representative to vote for me/us on my/our behalf as directed below and on any other matter to be put to the annual meeting of shareholders of the Company to be held on Monday 17 July 2023 at 11:30am at the offices of Willis Bond, Level 4, 12 Viaduct Harbour Avenue, Auckland (and as a virtual meeting) and at any adjournment or postponement thereof.

*The Chairman of the meeting is willing to act as proxy for any shareholder who may wish to appoint him for that purpose.

If your proxy/representative will be attending the meeting virtually by electronic communication, please ensure that you provide their contact details (phone and email address). If this information is not provided, we cannot guarantee remote admission to the virtual meeting for your proxy/representative.

Proxy/representative phone: _____

Proxy/representative email: _____

Section 4: Resolutions for postal and proxy voting

(Cast a postal vote, or instruct a proxy/representative to vote, by placing a tick in the relevant box.)

I/We direct my/our proxy/representative to vote in the following manner:^{***}

I/We wish to cast a postal vote in the following manner:^{***}

^{***}Delete as appropriate

1. Resolution 1: To reappoint Ernst and Young as auditor of the Company, and to authorise the directors to fix the auditor's fees and expenses for the year ending 31 March 2024.

For Against

Section 5: Signatures

Please sign and date this form below and return to the Company at the address provided in the notes below. All shareholders named on the share register must sign this form for it to be valid (including all trustees where the shareholding is in each of their names).

Signed this _____ day of _____ 2023

Signature of shareholder(s) _____ Signature of shareholder(s) _____

Signature of shareholder(s) _____ Signature of shareholder(s) _____

Notes on the completion of your postal vote or proxy appointment

Postal vote

- As a shareholder entitled to vote at the annual meeting, you are entitled to vote by postal vote. The Company Secretary has been authorised by the Board to receive and count postal votes at the annual meeting.
- If you return your postal vote without indicating on any resolution how you wish to vote, you will be deemed to have abstained from voting on that resolution.
- If you complete the postal vote section and also appoint a proxy, your postal vote will take priority over your proxy appointment.
- For your postal vote to be valid, you must return this Postal Voting Form, completed and signed, to be received by the Company Secretary no later than 11:30am on Saturday, 15 July 2023. Instructions on how to return this form are set out below.
- As a shareholder you may attend and vote at the annual meeting, or you may appoint a proxy, or in the case of a corporate shareholder, a representative, to attend and vote instead of you. A proxy or representative need not be a shareholder of the Company.
- If you are joint holders of shares, each of you must sign this Proxy Form.
- If you are a body corporate, this form must be signed on behalf of the body corporate by a person acting under the body corporate's express or implied authority. If it has been signed under a power of attorney, a copy of the power of attorney (unless already deposited with the Company) and a signed certificate of non-revocation of the power of attorney must be provided with this Proxy Form.
- If you wish, you may appoint the Chairman of the meeting as your proxy. To do so, please write "Chairman of the meeting" on the line marked "Full name of proxy". The Chairman will vote according to your instructions. If the Chairman is not instructed how to vote, he will vote as he thinks fit.
- If you return this form without directing the proxy how to vote on any particular resolution, you will be deemed to have given your proxy discretion as to whether and how to vote on that resolution.
- Shareholders may attend the meeting virtually even if they have appointed a proxy (although they will not be able to vote if a proxy has been appointed).
- For your proxy appointment to be valid, you must return this Proxy Form, completed and signed, to be received by the Company no later than 11:30am on Saturday, 15 July 2023. Instructions on how to return this form are set out below.
- The Proxy or Postal Voting Form may be completed and returned to the Company in one of the following ways:
 - by delivering it to: Level 4, 12 Viaduct Harbour Avenue, Auckland; or
 - by posting it to: PO Box 2007, Auckland 1140; or
 - by scanning and emailing it to: reception@willisbond.co.nz

How to return the Proxy or Postal Voting Form

If you have any questions regarding your voting or completion of this form, please call Willis Bond on +64 9 307 0722.

8.0

DIRECTORY

Board of Directors of Property Income Fund Limited

- Mark McGuinness
- Wayne Silver
- David McGuinness

The directors of Property Income Fund Limited can be contacted at Willis Bond below:

WILLIS BOND

Willis Bond, Auckland

Level 4,
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PO Box 2007, Auckland 1140
New Zealand

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www.willisbond.co.nz

Willis Bond, Wellington

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5 Cable Street,
PO Box 24137, Wellington 6011
New Zealand

Telephone: 04 805 0000
www.willisbond.co.nz

PI PROPERTY INCOME FUND

Manager

**Property Income Fund
Management Limited**

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Ernst and Young

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